



Trade World Iowa



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US-Central America Free Trade Agreement (CAFTA)

For the past nine months, the U.S. has been in negotiations with five countries of Central America in an effort to create a free trade agreement with this region. In a series of negotiation rounds, country officials from each nation are debating and deciding upon various terms of the agreement. The proposed date for the finalization of the agreement is scheduled for December of 2003. If passed, the agreement would create a closer relationship between the countries involved, expand international trade and lower overall barriers to trade among the participating nations. Many U.S. industries are expected to profit greatly from the agreement, including machinery and equipment; chemicals and plastics; paper; foodstuffs; textiles and apparel.



CUBA

Undervaluing Invoices: Cutting Costs or Taking Risks?

A more and more common practice among exporters is becoming the undervaluing of invoices to reduce costs from duties and tariffs at customs in foreign countries. Many overseas buyers are requesting invoices stating lower than actual value figures for shipments of goods. In complying with these requests, U.S. exporters are allowing buyers to circumvent high costs of exporting large amounts of high priced goods. Without these costs of exporting, U.S. companies may charge higher prices for their goods, because they are incurring lower customs costs. However, what many exporters are not taking into consideration are the risks associated with this activity. If firms are caught improperly filling out exportation documents, they may face substantial fines and harsh consequences from U.S. and foreign country governments. The results of such consequences, including seizure of goods, fines, restrictions from exporting to certain markets and improperly insured goods may result in much greater losses than would have been necessary had the company complied with export documentation regulations. If you are seriously considering undervaluing your invoices, first **consider the risks.**

International Partner Search (IPS)- Find Overseas Distributors and Buyers!

Looking to increase sales overseas? Need to find reputable distributors and business partners? The US Commercial Service has developed programs that will help you do just that. Through the International Partner Search program, a team of experts will work to find you the most suitable licensees, distributors, agents, and strategic partners in the country of your choice. You will receive detailed information about prospective partners, plus key information from them about the marketability of your products or services in the host country. You can receive all this information in just **15 working days** and get started exporting! For more info contact your local **export assistance center** or visit www.buyusa.gov/midamerica/page34.html.

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